

# Resolution – Adopting the 2021 Operating and Capital Budget

Jeff Birk, Treasurer

October 15, 2020

## **Background and Recommendation**

The development of the 2021 budget, to include the operating and capital income and expenditures is complete. Per the requirements of the Bylaws, the Finance Committee presented a first draft in September. Subsequently, the Finance Committee, the Strategic Planning Committee, the Board of Directors and the General Manager have met to examine all aspects of the operating and capital budget with an interest in the future demands on the reserve fund.

The purpose of the Indigo Run Community Owners Association is to preserve, protect and enhance the community. Doing so will promote strong property values and a strong community. The Operational part of the budget is designed to meet the day-to-day needs of the business and governance of the association. The Capital part of the budget is designed to meet 3 distinct needs of the community as defined in Article 9.06 of the Amended and Re-Styled Declaration of Covenants, Conditions and Restrictions of the Indigo Run Community Owners Association: 1) To set aside funds for the repair and replacement of existing capital assets – our buildings, grounds, roads and equipment; 2) To set aside funds for addressing any emergencies not covered by insurance and financial shortfalls; and 3) For capital expenditures as authorized by the Board which enhance the community and build value.

This budget is designed to meet the operational needs of the association, replenish the reserve funds and address the needs of the community as identified by the Strategic Planning Committee.

As a result, the 2021 budget, will include an annual increase in regular assessments of \$98 for Dwellings and \$83 for Lots. This allows the IRCOA to take steps to gradually build the reserve fund as well as accommodate demands to the operating expenses in 2021 which includes a minimal cost of living increase in salaries and a 13% increase in health insurance. The remaining budget items are flat to decreasing where possible. This process was very thorough, and the collaboration led to the 2021 Operating and Capital Budget for your consideration. Once the Board adopts the 2021 budget, a resolution will be placed on the ballot for the annual members meeting which will allow the members the opportunity to approve this decision.

## **Proposed Resolution**

WHEREAS, The IRCOA Board of Directors is charged with the responsibility to adopt a budget for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Indigo Run, and maintaining Indigo Run and the improvements therein...

AND, WHEREAS, The Bylaws of the Indigo Run Community Owners Association, in Article IX, Section 1. States:

*The Board shall manage the affairs of the Association and shall have the powers and duties necessary for the administration of the property and may do all such acts and things as are*

*directed by the Declaration or these By-Laws. In addition to the duties imposed by these By-laws, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:*

- (a) preparing and adopting an annual budget;*
- (b) making assessments to defray the Common Expenses and establishing the means and methods of collecting such assessments;*
- (c) providing for the operation, care, upkeep, and maintenance of all Common Areas;*
- (d) designating, hiring, compensating, and dismissing the personnel necessary for (i) the operation of the Association, (ii) the maintenance, repair, and replacement of the Common Areas and Association property, and (iii) the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;"...*

NOW, THEREFORE, BE IT RESOLVED, a motion duly made and seconded, was approved on this date, October 15, 2020, that the 2021 Operating and Capital Budget is hereby adopted.